International Rivers Network and Affiliates

Consolidated Financial Statements
and Independent Auditor's Report

December 31, 2021 and 2020

International Rivers Network and Affiliates

Consolidated Financial Statements
December 31, 2021 and 2020

Contents

ROGERS & COMPANY

Rogers & Company PLLC
Certified Public Accountants

8300 Boone Boulevard
Suite 600
Vienna, Virginia 22182

703.893.0300 voice
703.893.4070 facsimile
www.rogerspllc.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
International Rivers Network and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of International Rivers Network and Affiliates (collectively, "the Organization"), which comprise the consolidated statement of financial position as of December 31, 2021; the related consolidated statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Consolidated Financial Statements (continued)

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter

The consolidated financial statements of the Organization as of December 31, 2020 were audited by other auditors whose report, dated August 31, 2021, expressed an unmodified opinion on those statements.

Rogers + Company PLLC

Vienna, Virginia
November 29, 2022

International Rivers Network and Affiliates

Consolidated Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 1,186,681	$ 1,419,985
Grants and contributions receivable, current portion	942,832	1,606,285
Prepaid expenses	27,547	25,173
Total current assets	2,157,060	3,051,443
Grants and contributions receivable, non-current portion, net	568,161	637,996
Deposits	3,400	7,421
Total assets	$ 2,728,621	$ 3,696,860
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	$ 136,684	$ 245,361
Deferred revenue	11,862	25,137
Loan payable – Paycheck Protection Program	-	96,722
Total liabilities	148,546	367,220
Net Assets		
Without donor restrictions	519,578	344,505
With donor restrictions	2,060,497	2,985,135
Total net assets	2,580,075	3,329,640
Total liabilities and net assets	$ 2,728,621	$ 3,696,860

International Rivers Network and Affiliates

Consolidated Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	$ 457,227	$ 676,682	$ 1,133,909
In-kind contributions	163,286	-	163,286
Interest and dividends	1,136	-	1,136
Foreign currency exchange gains	20,251	-	20,251
Miscellaneous revenue	207,978	-	207,978
Net assets released from restrictions	1,601,320	(1,601,320)	-
Total revenue and support	2,451,198	(924,638)	1,526,560
Expenses			
Program services	1,643,524	-	1,643,524
Supporting services:			
Management and general	568,641	-	568,641
Fundraising	63,960	-	63,960
Total supporting services	632,601	-	632,601
Total expenses	2,276,125	-	2,276,125
Change in Net Assets	175,073	(924,638)	(749,565)
Net Assets, beginning of year	344,505	2,985,135	3,329,640
Net Assets, end of year	$ 519,578	$ 2,060,497	$ 2,580,075

International Rivers Network and Affiliates

Consolidated Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	$ 1,242,958	$ 2,784,874	$ 4,027,832
In-kind contributions	22,545	-	22,545
Interest and dividends	2,725	-	2,725
Miscellaneous revenue	18,912	-	18,912
Net assets released from restrictions	1,805,853	(1,805,853)	-
Total revenue and support	3,092,993	979,021	4,072,014
Expenses			
Program services	1,357,048	-	1,357,048
Supporting services:			
Management and general	885,269	-	885,269
Fundraising	146,810	-	146,810
Total supporting services	1,032,079	-	1,032,079
Total expenses	2,389,127	-	2,389,127
Change in Net Assets	703,866	979,021	1,682,887
Net (Deficit) Assets, beginning of year	(359,361)	2,006,114	1,646,753
Net Assets, end of year	$ 344,505	$ 2,985,135	$ 3,329,640

International Rivers Network and Affiliates

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2021

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 932,751	$ 260,568	$ 39,524	$ 300,092	$ 1,232,843
Employee benefits	45,961	19,627	5,750	25,377	71,338
Payroll taxes	22,449	26,008	4,013	30,021	52,470
Professional fees	289,917	228,564	581	229,145	519,062
Grants to others	204,376	854	-	854	205,230
Travel and meals	35,133	312	-	312	35,445
Occupancy	24,876	1,913	334	2,247	27,123
Information technology	18,346	11,228	652	11,880	30,226
Dues, licenses, and other fees	6,349	3,273	11,990	15,263	21,612
Telephone	20,340	425	22	447	20,787
Copying and printing	9,040	1,019	5	1,024	10,064
Equipment rental and maintenance	9,171	4,096	25	4,121	13,292
Insurance	3,372	8,828	79	8,907	12,279
Conferences, conventions, and meetings	14,700	-	-	-	14,700
Staff training	1,511	-	-	-	1,511
Postage and shipping	724	470	985	1,455	2,179
Supplies	3,689	619	-	619	4,308
Advertising and promotion	69	735	-	735	804
Miscellaneous	750	102	-	102	852
Total Expenses	$ 1,643,524	$ 568,641	$ 63,960	$ 632,601	$ 2,276,125

See accompanying notes.

International Rivers Network and Affiliates

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total Expenses
Salaries	$ 774,200	$ 395,972	$ 98,544	$ 494,516	$ 1,268,716
Employee benefits	38,228	33,144	4,283	37,427	75,655
Payroll taxes	27,258	17,430	6,393	23,823	51,081
Professional fees	259,337	342,846	6,970	349,816	609,153
Grants to others	90,660	-	-	-	90,660
Travel and meals	47,457	8,074	88	8,162	55,619
Occupancy	27,728	20,373	222	20,595	48,323
Information technology	20,059	11,941	1,997	13,938	33,997
Dues, licenses, and other fees	6,804	2,272	20,751	23,023	29,827
Telephone	14,756	4,253	314	4,567	19,323
Copying and printing	12,633	-	6,609	6,609	19,242
Equipment rental and maintenance	11,869	5,787	-	5,787	17,656
Insurance	2,347	8,197	211	8,408	10,755
Conferences, conventions, and meetings	9,815	-	3	3	9,818
Staff training	1,321	5,804	200	6,004	7,325
Postage and shipping	4,762	465	58	523	5,285
Supplies	4,739	331	7	338	5,077
Bad debts	-	3,000	-	3,000	3,000
Depreciation and amortization	1,455	920	160	1,080	2,535
Advertising and promotion	1,578	916	-	916	2,494
Miscellaneous	42	23,544	-	23,544	23,586
Total Expenses	$ 1,357,048	$ 885,269	$ 146,810	$ 1,032,079	$ 2,389,127

See accompanying notes.

International Rivers Network and Affiliates

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	$ (749,565)	$ 1,682,887
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Change in present value discount on multi-year grants and contributions receivable	(10,058)	-
Depreciation and amortization	-	2,535
Bad debt	-	3,000
Forgiveness of loans payable – Paycheck Protection Program	(187,380)	-
Change in operating assets and liabilities:		
(Increase) decrease in:		
Grants and contributions receivable	743,346	(1,553,571)
Prepaid expenses	(2,374)	9,997
Deposits	4,021	1,570
(Decrease) increase in:		
Accounts payable and accrued expenses	(108,677)	28,242
Deferred revenue	(13,275)	25,137
Security deposit	-	(3,365)
Net cash (used in) provided by operating activities	(323,962)	196,432
Cash Flows from Investing Activity		
Proceeds from sale of investments	-	234,516
Net cash provided by investing activity	-	234,516
Cash Flows from Financing Activity		
Proceeds from issuance of loan payable – Paycheck Protection Program	90,658	96,722
Net cash provided by financing activity	90,658	96,722
Net (Decrease) Increase in Cash and Cash Equivalents	(233,304)	527,670
Cash and Cash Equivalents, beginning of year	1,419,985	892,315
Cash and Cash Equivalents, end of year	$ 1,186,681	$ 1,419,985
Supplementary Cash Flow Information		
Taxes Paid	$ -	$ -

See accompanying notes.

1. Nature of Operations

International Rivers Network (IRN) is a California nonprofit organization founded in 1986, and headquartered in Oakland, California. IRN's mission is to protect the rights of rivers and communities that depend on them. IRN works with river-dependent and dam-affected communities to ensure their voices are heard and their rights are respected. IRN helps to build well-resourced, active networks of civil society groups to create the change. IRN undertakes independent, investigative research, generating robust data and evidence to inform policies and campaigns. IRN exposes and resists destructive projects, while also engaging with all relevant stakeholders, including industry and policymakers, to develop a vision that protects rivers and the communities that depend upon them. Programs and activities are primarily funded through grants and contributions.

In 2006, IRN founded a supporting organization called the Fund for International Rivers (FIR), a California nonprofit organization. IRN has a controlling interest in FIR through both financial and economic control.

In 2014, IRN formed Yi Tai Rui Wo Environmental Consulting Company Limited in Beijing (YTRW Beijing) to carry out its mission in China. Also in 2014, IRN formed Yi Tai Rui Wo Environmental Consulting Company Limited in Hong Kong (YTRW Hong Kong) as a holding company of YTRW Beijing. In 2016, IRN formed Yi Tai Ru Wo California, LLC (YTRW CA) to facilitate funding for the foreign operations of the two entities in China. All of these entities are wholly-owned subsidiaries of IRN.

Due to ceased operations in China, YTRW Beijing was closed in October 2019. Similarly, YTRW Hong Kong was closed in June 2021. On October 26, 2021, YTRW CA submitted its application to cancel its California registration. YTRW CA is expected to close in 2023.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements, as of and for the year ended December 31, 2021, include the accounts and activities of IRN, FIR, YTRW Beijing, YTRW Hong Kong, and YTRW CA. All intercompany balances and significant transactions have been eliminated in consolidation. Except when referred to separately, all entities are collectively referred to as "the Organization" throughout the accompanying consolidated financial statements and related notes.

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Classification of Net Assets

The Organization's consolidated financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- *Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time of other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash Equivalents

For the purpose of the consolidated statements of cash flows, the Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase.

As of December 31, 2021 and 2020, the Organization maintained $40,676 and $159,913, respectively, of cash on hand and in financial institutions in foreign countries. These funds are not insured.

Grants and Contributions Receivable

Grants and contributions receivable represent unconditional amounts committed to the Organization. All grants and contributions receivable are reflected at either net realizable value or at net present value based on projected cash flows. Amounts receivable in more than one year at December 31, 2021 and 2020 were discounted at an average annual rate of 1.26% and 1.13%, respectively, using a rate that considers market and credit risk. Management believes that all grants and contributions receivable are collectible at December 31, 2021 and 2020, and accordingly, no allowance for uncollectible receivables has been established.

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

The Organization capitalizes property and equipment additions with a cost of $2,500 or more and a projected useful life exceeding one year. Depreciation and amortization on all property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Repairs and maintenance costs are expensed as incurred.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. The Organization reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Organization's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

The Organization receives certain promises to give, collected over multiple accounting periods, and classifies the portion receivable in future accounting periods as restricted revenue. The Organization discounts the promises to give using an appropriate discount rate over the contribution period, if material.

Conditional grants and contributions contain a donor-imposed condition that represents a barrier that must be overcome before the Organization is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred, or gives the promisor a right of release from its obligation to transfer its assets. Conditional grants and contributions are recognized as revenue, either with or without donor restrictions, when donor-imposed conditions are substantially met and any barriers are overcome. Donor restrictions are also satisfied when qualifying expenditures are incurred for the donor-specified program.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

Conditional grants and contributions are reflected as deferred revenue in the accompanying consolidated statements of financial position until barriers are overcome. Deferred revenue from conditional grants and contributions amounted to $11,862 and $25,137 at December 31, 2021 and 2020, respectively.

Donated services that meet the criteria for recognition are recognized at fair value at the time of donation. These services benefit the general programs, and consist primarily of legal services and other professional services. The value of these donated services is included in the consolidated statements of activities as both revenue and expense in the amounts of $163,286 and $22,545 for the years ended December 31, 2021 and 2020, respectively.

Foreign Currency Transactions and Translations

The Organization conducts a portion of its operations internally, and accordingly, transacts in the local currency of these countries. Additionally, certain assets and liabilities of the Organization are held in local currencies of various countries, and translated at the month-end and year-end exchange rates for purposes of consolidation. Gains and losses from foreign currency transactions and translations for the year are included net in expenses in the accompanying consolidated statements of activities and functional expenses, as they relate to the Organization's operations.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2. Summary of Significant Accounting Policies (continued)

Advertising and Promotion Expenses

The Organization expenses advertising and promotion costs as incurred. Advertising and promotion expenses totaled $804 and $2,494 for the years ended December 31, 2021 and 2020, respectively.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2020 consolidated financial statements have been reclassified to conform to the 2021 presentation. These reclassifications have no effect on the change in net assets previously reported.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases.* The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its consolidated statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning for the year ended December 31, 2022.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* The amendment is intended to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements in presentation and disclosure requirements. Under the new ASU, not-for-profit entities will be required to present contributed nonfinancial assets in the consolidated statements of activities as a line item that is separate from contributions of cash or other financial assets.

2. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements (continued)

ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The guidance is effective beginning for the year ended December 31, 2022.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 29, 2022, the date the consolidated financial statements were available to be issued.

3. Liquidity and Availability

The Organization strives to maintain financial assets on hand to meet at least 90 days of general expenditures. Management periodically reviews the Organization's liquid asset needs and adjusts the cash and cash equivalent balances as necessary.

Additionally, the Organization considers net assets with donor restrictions for use in current programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

Financial assets that are available for general expenditures within one year of the consolidated statements of financial position date comprise the following at December 31:

	2021	2020
Cash and cash equivalents	$ 1,186,681	$ 1,419,985
Grants and contributions receivable, current portion	942,832	1,606,285
Total available for general expenditures	$ 2,129,513	$ 3,026,270

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents. The Organization maintains cash deposit and transaction accounts with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any credit losses on its cash and cash equivalents to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

The majority of funds held in foreign financial institutions outside the United States are uninsured.

Revenue Risk

During the years ended December 31, 2021 and 2020, a substantial portion of the Organization's revenue was generated from four and two sources, respectively. The donations totaled approximately 47% and 49% of the Organization's total revenue and support for the years ended December 31, 2021 and 2020, respectively. A potential reduction or change in funding from these sources in the future could significantly impact the Organization's ability to carry out its program activities.

5. Grants and Contributions Receivable

Grants and contributions receivable are promised as follows at December 31:

	2021	2020
Receivable in less than one year	$ 942,832	$ 1,606,285
Receivable in one to five years	582,181	662,074
Total grants and contributions receivable	1,525,013	2,268,359
Less: present value discount	(14,020)	(24,078)
Grants and contributions receivable, net	$ 1,510,993	$ 2,244,281

6. Property and Equipment

Property and equipment consists of the following at December 31:

	2021	2020
Furniture and computer equipment	$ 11,057	$ 11,057
Software	12,651	12,651
Total property and equipment	23,708	23,708
Less: accumulated depreciation and amortization	(23,708)	(23,708)
Property and equipment, net	$ -	$ -

7. Loans Payable – Paycheck Protection Program

The Organization applied for two loans under the Paycheck Protection Program (PPP) pursuant to Division A, Title 1 of the CARES Act, which was enacted on March 27, 2020. The PPP is a loan designated to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 coronavirus, for which the Organization qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities).

The initial loan was granted to the Organization on May 4, 2020 in the amount of $96,722, with terms including a 1.00% fixed interest rate. The loan was scheduled to mature on May 4, 2022. At December 31, 2020, the Organization recorded $96,722 as a loan payable, which is reflected in the accompanying consolidated statements of financial position. On April 29, 2021, the SBA approved full forgiveness of the loan and remitted the forgiveness amount to the financial institution, including applicable interest accruals. The forgiven amount is included in miscellaneous revenue in the accompanying consolidated statement of activities for the year ended December 31, 2021.

7. Loans Payable – Paycheck Protection Program (continued)

The Organization was granted a second draw on the loan on February 18, 2021 in the amount of $90,658, including a 1.00% fixed interest rate. The loan was scheduled to mature on February 18, 2026. On June 29, 2021, the SBA approved full forgiveness of the loan and remitted the forgiveness amount to the financial institution, including applicable interest accruals. The forgiven amount is included in miscellaneous revenue in the accompanying consolidated statement of activities for the year ended December 31, 2021.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following purposes at December 31:

	2021	2020
Program-restricted:		
Latin America programs	$ 121,700	$ 520,257
South Asia programs	65,918	221,195
Southeast Asia programs	751,652	848,236
Africa programs	228,241	644,633
China programs	211,545	300,000
Grants to others	10,000	100,814
Time-restricted	671,441	350,000
Total net assets with donor restrictions	$ 2,060,497	$ 2,985,135

9. Commitments and Contingencies

<u>Operating Leases</u>

The Organization leases office space under short-term operating lease arrangements for its headquarters in the United States, located in Oakland, California. The Organization leased space in one location in Oakland, California under an operating lease that commenced on November 1, 2022 and expired on May 31, 2021. The lease required fixed monthly payments. Upon expiration, the Organization began leasing space at a different location in Oakland, California under an operating lease agreement that commenced on June 1, 2021 and expired on May 31, 2022. The lease was renewed through September 30, 2022. The lease required fixed monthly payments over the term of the agreements. Starting on October 1, 2022, the lease continued on a month-to-month basis requiring fixed monthly rental payments.

9. Commitments and Contingencies (continued)

Operating Leases (continued)

The Organization also leases several offices under various operating lease arrangements for its international operations in Brazil, South Africa, and Thailand. The operating lease agreements require fixed monthly payments over the terms of the leases, and expire at various times through 2024.

Occupancy expense for the years ended December 31, 2021 and 2020 was $27,123 and $48,323, respectively.

Future minimum lease payments under all operating lease agreements are as follows for the years ending December 31:

2022	$	20,655
2023		14,675
2024		12,000
Total future minimum lease payments	$	47,330

Foreign Operations

As described in Notes 1 and 2, in connection with its worldwide programmatic activities, the Organization operates in various countries outside the United States, including Brazil, India, South Africa, and Thailand. Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange.

10. Functionalized Expenses

The consolidated financial statements report categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Where feasible, the Organization allocates its expenses directly to specific functions. The expenses that are allocated indirectly include salaries, employee benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort. Additionally, other expenses are allocated based on an overhead allocation calculated by the percentage of staff time spent on each function.

11. Retirement Plan

The Organization maintains a 403(b) plan, which covers substantially all employees meeting certain age and service requirements. Participants may contribute a portion of their annual compensation, subject to limitations established by the Internal Revenue Service. The Organization does not provide employer contributions to the plan.

12. Income Taxes

IRN is exempt from payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code (IRC). For the years ended December 31, 2021 and 2020, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded. Contributions to the Organization are deductible as provided in IRC Section 170(b)(1)(A)(vi).

FIR is qualified as a tax-exempt organization under IRC Section 501(c)(3), and is exempt from payment of taxes on income other than net unrelated business income. For the years ended December 31, 2021 and 2020, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded.

YTRW CA is a disregarded entity for income tax reporting purposes and, its income or loss is reported on the tax return of IRN. YTRW CA is subject to a minimum franchise tax for the State of California.

YTRW Beijing and YTRW Hong Kong are subject to taxation in China and Hong Kong on income earned, and are subject to income taxes due on those earnings under China law and Hong Kong law. The accompanying consolidated financial statements do not include any provision for income taxes, as neither of these entities experienced net losses, nor were their carried over losses sufficient to reduce their taxable income to zero for the years ended December 31, 2021 and 2020. Upon distribution of earnings in the form of dividends or otherwise, the income would be subject to U.S. income taxes. There were no accumulated foreign earnings as of December 31, 2021 and 2020 for either of these entities.

12. Income Taxes (continued)

Management considers whether any material tax positions have taken are more likely than not to be sustained upon examination by the applicable taxing authority. Management believes that any tax positions taken are supported by substantial authority, and, hence, do not need to be measured or disclosed in the accompanying consolidated financial statements.

Management has evaluated the Organization's tax positions and concluded that the Organization's consolidated financial statements do not include any uncertain tax positions.